

Georgetown City Council Budget Meeting
Wednesday May 25, 2011
5:30 pm

The Georgetown City Council Budget Meeting was called to order by Mayor Everett Varney with all members present.

City Attorney Logan Askew requested that items three and four on the agenda be moved to the agenda for the meeting on May 31, 2011. The council agreed to this change.

1. Approval for Emergency purchase of Landfill Leachate Tank Replacement

A leak has been discovered at the landfill which is considered an emergency situation. GMWSS will take care of this situation by bypassing with sewer line. 1 gallon of Leachate per minute was leaking into the creek.

2. Public Comments

John Cooper representing Toyota spoke about stacking the occupational tax in Scott County. He believes in a base line number. Mr. Cooper does not think that growth numbers are included in the proposed budget. Toyota will increase as well as the school system. He requests council to go back to the proposed budget and look at the base numbers. Mr. Cooper referred to letters that Kim Menke and Dallas Blankenship have written urging council to carefully consider raising the occupational tax. Mr. Menke, and Mr. Blankenship both believe this is the wrong tax to raise at the wrong time. Mr. Cooper suggested looking at equalizing property taxes. Concerns about the tax increase were discussed at the Scott United meeting. Scott United represents several of Georgetown's largest employers. Mr. Cooper questioned the council about not knowing what the revenue base will be and if this is not known how the budget process can be completed. Councilman Lusby said he had received the letters and responded asking for specific numbers of employees to be hired by Toyota and the school system.

Bill Crouch President of Georgetown College said that there would be no wage increase at Georgetown College this year. They will be adding seventeen faculty members and have broken ground for a new building. Mr. Crouch is concerned about what will happen if the Bengals do not return to Georgetown. He realizes the burden has been passed to the employees but he thinks that some new revenues are coming. The Council must look at everything as they begin the budget process.

Aaron Kinser a citizen of Georgetown says that no one loves taxes. He has heard the questions about a tax increase. The city does not have enough revenue to cover its expenses. Mr. Kinser realizes budgets are strained and if taxes are raised he would like to know what the money will go toward. Mr. Kinser is in favor of raising the occupational tax in order to maintain the services the city currently provides to its citizens.

John McKibben representing the Fraternal Order of Police says the organization does not want to see services cut. Top notch equipment as well as training is important. Raising the occupational tax is supported by the FOP to continue making the city safe for our citizens and also providing services for people that do not live in Georgetown but are provided services while they are working in our city.

3. Consideration of the Mayor's Proposed Budget for Fiscal Year 2012

Finance Director Betty Pendergrass distributed worksheets with April 2011 actuals and adjusted projected columns where needed. Ms. Pendergrass recapped the online poll reporting there were 268 participants out of 29,000 citizens. Very few of the 268 were in favor of a tax increase. She compared the poll to the primary election in May when 11% of voters actually voted. Only a small percentage of constituents participated in both instances making it difficult to know how all citizens truly feel about a tax increase.

Public Works

Director of Public Works Terry Thomas distributed a book to council with detailed reports for each of the areas he manages including Public Works, Sanitation, Recycling and the Cemetery. Mr. Thomas explained some of the things that he and his team have done to cut costs. The department is under budget in overtime and workmen's compensation. There have been four retirements this year and those positions have not been replaced. While this is good for payroll it has not been good for service. Vehicle maintenance has increased due to the price of parts and fuel has been an even bigger expense this year however it is nice to have the use of the rock house lot to use as a midpoint for some of the vehicles. Mowing is an area that the department has tried to get outside help with, including the Japanese Garden and the Business Park. Public works is currently in charge of the common areas at the Business Park. Mr. Thomas investigated contracting the mowing last year but costs were not favorable. Councilman Singer asked how much was spent in man hours mowing. Mr. Thomas said he did not know the exact cost but to stay ahead it takes three employees. Councilman Penn strongly suggested Mr. Thomas get pricing for contracting the city's mowing. He stated that a city in Northern KY. had saved \$250,000.00 by contracting mowing. Brush pick up is another service that is provided. This service takes 2 employees each day. Councilman Singer asked Mr. Thomas to research cost of mowing and brush pick up.

Councilman Singer asked why there is a projected increase in payroll. Mr. Thomas stated that he has some vacant positions and hopes to have them filled. Councilman Lusby asked if the payroll increase took into consideration the four retirements saying that those employees were probably making a higher wage than someone just hired. Mr. Thomas said that yes this was taken into consideration. Ms Pendergrass added that the information provided was from the month of March before the retirements had taken place. Councilman Lusby asked if there was a possibility that the positions could go unfilled. Mr. Thomas said if

the positions remain vacant he will only have enough employees to maintain garbage pick up. Mr. Thomas explained if there are two to three people out for injury, sickness or vacation employees from other departments have to be put on the garbage trucks. It takes fifteen total employees to employ the sanitation department. Garbage trucks run every day to maintain the current services provided to the city. Mr. Singer asked what is being neglected if public works is short 3 employees. Mr. Thomas said that mowing falls behind and storm drains are not maintained. It is difficult to recover once these jobs are neglected. The work load has increased due to population and annexation. Public Works has had some help with efficiency from Toyota and Johnson Control. However the department still operates with the same number of employees it had before the increase in population. Councilman McEuen asked if the city had gotten automated trucks that could lift the Herbie Curbies from the street. Mr Thomas said no and explained that the Herbie's must be lifted onto the trucks. Councilman McEuen asked why the city continues to put off purchasing the automated trucks. Councilman Prather said that the truck was put off last year because a reloader was purchased. Councilman Singer believes the 3 available positions should not be filled at the current time and that Mr. Thomas should wait until he sees how much money he has to work with in the budget. Councilman Penn asked why the Garbage Franchise fees were increased in the proposed budget. Mr. Thomas believes that all haulers that service Georgetown are not paying the 10% fee. Mr. Thomas said that his department is investigating the haulers that are currently doing business in Georgetown. Councilman Penn commented on the significant increase in salaries from 2009 to 2010. There was a 40% increase during this time.

Recycling has had no major changes and continues to operate with only four employees. Councilman Singer asked why revenue was projected to be so much more in the proposed budget and Councilman Penn commented about the increase in the interlocal. Ms. Pendergrass said that the budget was based on cost sharing and that the county is billed based on expenses minus revenues. Councilman Lusby referenced closing of drop off point and asked if there was any other way to raise collection. Other drop off sites have been tried but when site is not monitored other items besides recyclables are collected. Low risk inmates have been used in the past but they have to be watched closely and they are hard to control. Councilman Penn says city employees do all of the work collection, sorting, lifting, then sendoff but only get a portion of revenue. The city also has to pay to get white goods hauled away. The city is essentially forfeiting all of the revenue. Councilman Penn suggested an outside hauler which would save the city the cost of payroll. Perhaps the city could eventually have curbside recycling.

The cemetery is doing well but there is a proposed increase for lot sales and funeral services. A cremation garden at a cost of \$20,000 has been suggested. Councilman McEuen asked if credit cards were being accepted for cemetery services. Ms. Pendergrass said that credit cards were still being researched due to the fees that would need to be charged to cover the cost of processing credit cards.

City Engineer Eric Larson supports the tax increase. The Bone Marrow budget will not allow the city enough money to buy needed items such as salt, concrete and asphalt. Mr. Larson also said that the capital need of the city such as road improvements could not be met. It cost \$207,000.00 a mile to pave a road. The city paves one mile each year.

Mr. Larson explained that the landfill on Double Culvert is not built properly. There is no plastic liner and a very thin cap. This landfill is not up to code. There is routine overflow to service. The Sims road landfill has much more volume. Our obligation at the landfill is ongoing and the cost will most likely increase. Councilman Singer asked when the pump station would be complete. Mr. Larson said that is slated for testing next week. It should be fully operational within the month.

Stormwater continues to be underfunded. Without additional funding our program will continue to have impending violations observed. There are funds allocated for the consulting services to explore and potentially set up a utility fee but the funding is not at the level recommended earlier this year by Mr. Larson. Councilman Prather asked about a stormwater fee. Mr. Larson stated that Lexington is currently charging \$4.16 per household each month and that many cities are charging a fee. Councilman Lusby asked why businesses such as Wal Mart, that when building the current location, followed all regulations, should be included in this fee. Mr. Larson explained that there is still some impact due to run off and that the community as a whole uses the stormwater system. The downtown area used by all citizens needs to be brought up to code.

Building Inspection

Jim Burgess addressed council concerning the proposed budget for FY 2012. Mr. Burgess said that the decision to do HVAC inspection within the department had worked out well. The city has gained the revenue and has not increased personnel. Another source of revenue has been storm water, land disturbance, and erosion permitting. If building up to 5000 square feet there is a charge of \$25.00. Mr. Burgess has tried to project what state schedule revenues for HVAC inspections will produce this year. The projection is difficult because it is based on the size of the house being built. He has projected between \$15000.00 and \$20,000.00 in additional revenue.

Code enforcement is a very difficult area. Currently the department is working on a more efficient billing system. When fines are not paid a lien would be placed on the property. The problem with this system is abandoned or inherited properties. Mowing was contracted out last year at a cost of \$ 5000.00. It is difficult to find someone who will bid the job because weeds and high grass are hard on equipment. A bid of \$45.00 per standard lot with additional charges added for grass that reaches 40-50 inches has been secured this year. Mr. Burgess referred to a press release contained in the information he distributed. Georgetown/Scott County building inspection is rated a 4 in commercial construction and a 4 in residential construction.

Mr. Burgess believes his team is experienced and well certified but with more education their rating could be better. Three out of the city's four inspectors are trained at the highest level. Councilman Singer asked Mr. Burgess how the Georgetown/Scott County permit structure compares to other cities in the state. Mr. Burgess said that we are comparable to other cities in the state. The city raised commercial rates in 2008 but had not increased residential rates. Currently the charge is \$0.12 per square foot.

Planning and Zoning

Earl Smith presented a Power Point presentation with background information about the planning commission. A video of the Geospatial Information System (GIS) system was also shown and Mr. Smith explained that this system could be available to residents very soon. The county has budgeted \$415,000.00 for planning and zoning which is \$25,000.00 less than requested. The city's bone marrow budget proposal is \$351,000.00 which is \$89,000.00 less than requested. Mr. Smith would like to have at least \$64,000.00 more so that GIS can be provided to the city.

Councilman Thompson asked about the salary increases that have been requested for planning and zoning. Mr. Smith said he would like to get his staff on par saying that they had not received an increase last year when other employees of the city had. Councilman Penn asked Mr. Smith if most cities our size, have a GIS system and Mr. Smith said they did.

Councilman Thompson requested that the next budget meeting scheduled for June 1st be rescheduled to June 2nd. Everyone agreed to the change.

A motion to adjourn was made by Councilman Thompson and seconded by Councilman McEuen. The motion was unanimously approved.

APPROVED BY:


Everette Varney, Mayor

ATTESTED BY:


Tracie Hoffman Chew, City Clerk/Treasurer